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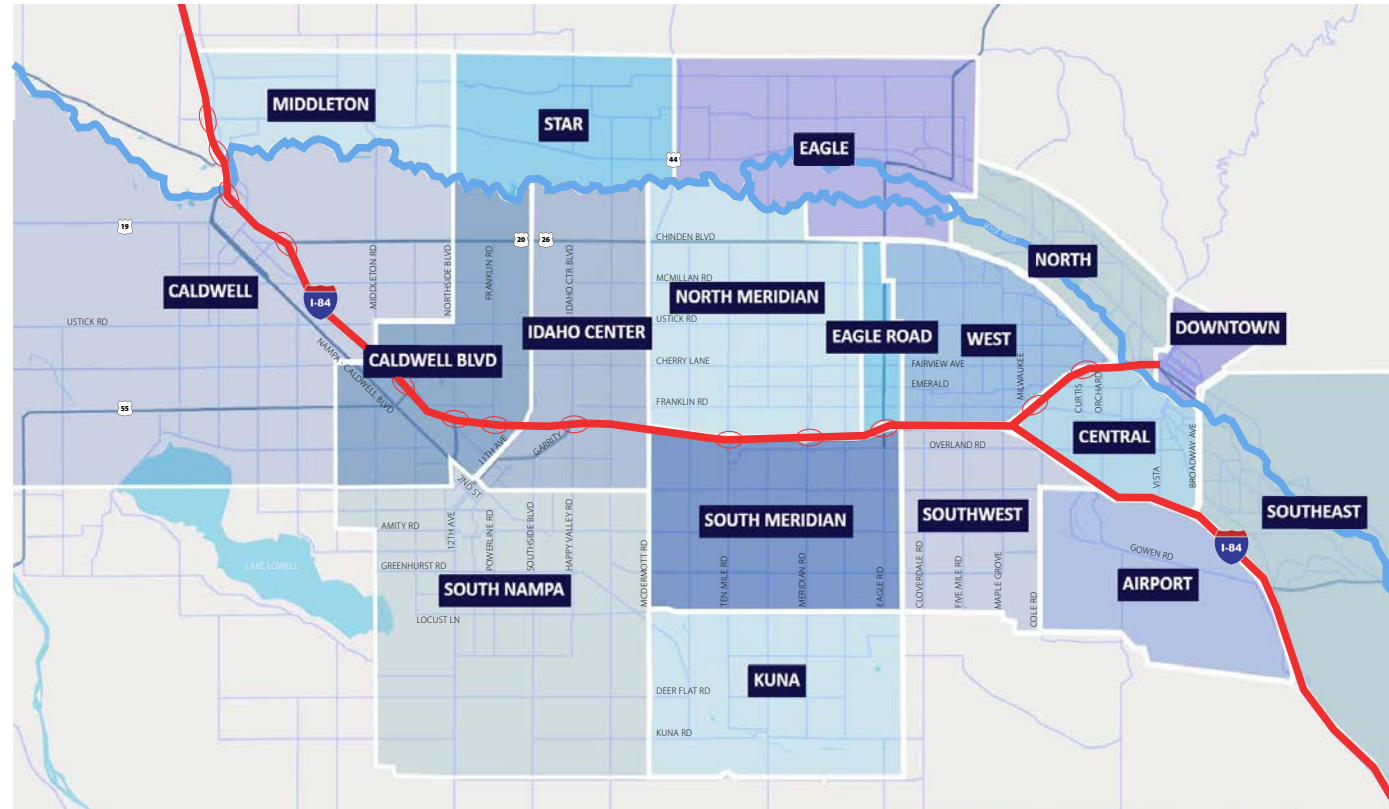
COMMERCIAL

Q2 2025

**OFFICE**  
MARKET REPORT

BOISE MERIDIAN EAGLE KUNA NAMPA CALDWELL

YOUR GUIDE TO THE **BOISE VALLEY'S OFFICE MARKET**





## MARKET **SNAPSHOT**

THROUGH MARCH 2025



ANNUAL



QUARTERLY

**17,000 SQ. FEET**  
NET ABSORPTION



ANNUAL



QUARTERLY

**10.0%**  
MULTITENANT VACANCY



ANNUAL



QUARTERLY

**\$22.00**  
AVERAGE FLSV LEASE RATE (ANNUALLY)



# MARKET SUMMARY

## OFFICE CONDITIONS

The Boise MSA Office market is navigating a complex landscape shaped by persistent inflation, elevated interest rates, and broader economic uncertainty. These factors have created a more cautious business climate, influencing tenant decision-making and leasing activity. Despite these headwinds, Q1 2025 saw a 5 percent increase in the number of transactions compared to the same period last year—marking more first quarter transactions than the past two years. However, net absorption declined 22 percent, totaling 17,000 square feet, as most leasing activity continued to center on smaller spaces. Over the past 12 months, 68 percent of all office transactions were for spaces 3,000 square feet or less, while only 6 percent involved spaces over 10,000 square feet, highlighting a preference for flexibility and reduced footprints. Meanwhile, overall vacancy held steady at 6.8 percent, and multitenant vacancy dipped slightly to 10 percent.

Sublease availability also shifted notably, dropping 37 percent from the end of 2024 to 364,000 square feet, the lowest level in four years. This decline was driven by expiring large subleases converting to direct listings and a few notable leases, such as the 12,400 square foot former Carrington College space at 1122-1200 Liberty Street. North Meridian continues to lead in sublease availability, primarily due to the 84,000 square foot Saltzer Health vacancy that has yet to be backfilled at Ten Mile Crossing.

## OFFICE OUTLOOK

Following the national trend, the Office market in the valley is showing signs of gradual improvement, despite the persistently difficult business environment. Organic growth remains a key driver of leasing momentum, with 39 percent of transactions in the last 12 months involving local businesses either opening new locations or expanding existing operations—a 10 percent increase over this time last year. Notably, four of the top five move-ins this quarter were tied to business expansion. In contrast, however, four of the five largest move-outs were companies either exiting the market or shutting down, underscoring current challenges.

Overall average asking lease rates rose 7 percent year-over-year, reaching a new high of \$22.00 per square foot (FLSV, annual). While Class A rates dipped slightly, from \$24.75 to \$24.00, the South Meridian and Eagle submarkets continue to command the highest rates, averaging around \$28.00 per square foot.

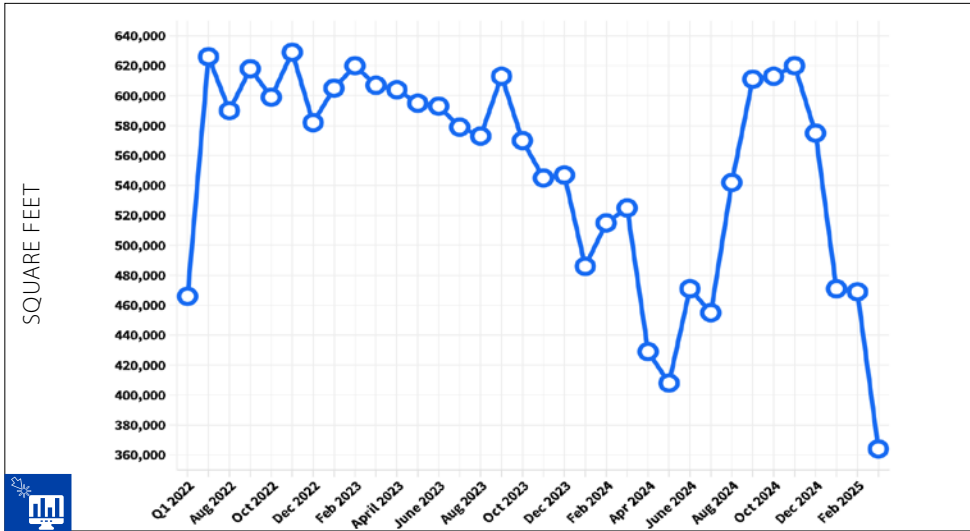
Elevated labor costs and a shortage of available contractors are likely to limit new office development through 2025, with owner-users remaining the primary drivers of new construction. Even so, ongoing local expansions and steady tenant activity signal enduring resilience and long-term potential in Boise's office market.

### TAKEAWAYS:

- **68 PERCENT OF TRANSACTIONS** IN THE LAST 12 MONTHS WERE FOR SPACES **3,000 SQUARE FEET OR LESS**, HIGHLIGHTING A STRONG SHIFT TOWARD **SMALLER, MORE FLEXIBLE OFFICE FOOTPRINTS**.
- **THE NUMBER OF DEALS INVOLVING BUSINESSES EXPANDING OR ADDING LOCATIONS WAS UP 10 PERCENT** FROM Q1 2024, AS ORGANIC GROWTH CONTINUES TO **DRIVE LEASING ACTIVITY**.

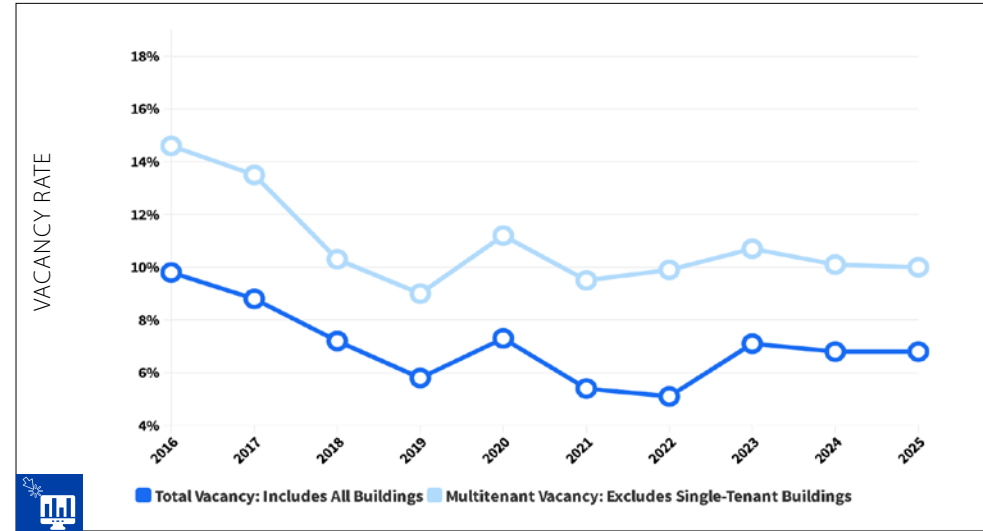
## SUBLEASE SPACE BY SQUARE FEET

TOTAL AVAILABLE SUBLEASE SPACE fell to 364,000 SF in Q1, the **LOWEST LEVEL** in FOUR YEARS. 27% of available SUBLEASE SPACE is in NORTH MERIDIAN with 96,000 SF LISTED.



## VACANCY TRENDS

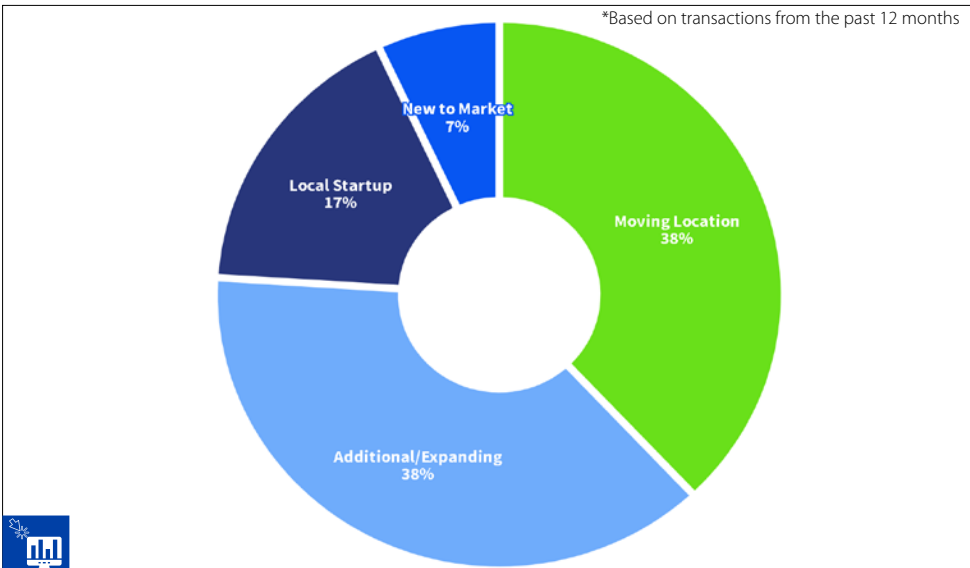
TOTAL VACANCY decreased from 7.4% to 6.8% over the past 12 months. MULTITENANT VACANCY is at or below 10% in 12 SUBMARKETS.



## TENANT ORIGIN

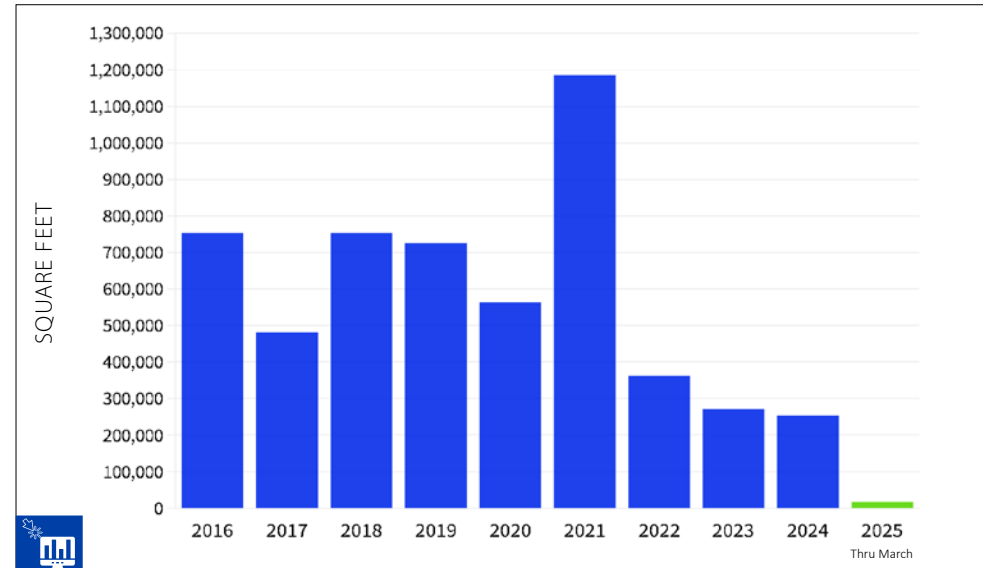
OVER 60% of TENANTS NEW TO MARKET found space in the BOISE submarkets. TRANSACTIONS with tenants EXPANDING OR ADDING LOCATIONS were UP 10% from Q1 2024.

\*Based on transactions from the past 12 months



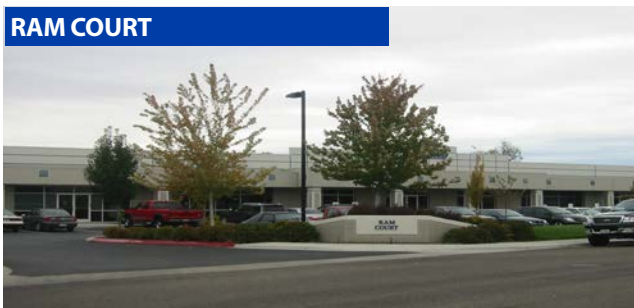
## NET ABSORPTION

NET ABSORPTION was DOWN 22% compared to Q1 2024, ending the quarter at 17,000 SF. EAGLE saw the HIGHEST NET ABSORPTION totaling 28,000 SF.





## RAM COURT



SOUTHWEST  
22,100 SF  
**LEASED TO CWI CENTER OF INNOVATION**

## 1122-1200 LIBERTY STREET



WEST  
12,400 SF  
**LEASED TO AWAKEN CHURCH**

## EAGLE RIVER BUILDING III



EAGLE  
10,300 SF  
**LEASED TO REGUS**

## 2501 STATE AVENUE



EAGLE ROAD  
8,300 SF  
**LEASED TO BOISE CONSUMER COOPERATE**

## 577 STATE STREET



EAGLE  
8,000 SF  
**OCCUPIED BY ASCEND DENTAL**

## EAGLE VIEW LANDING - POWER ENGINEERS



SOUTH MERIDIAN  
7,900 SF  
**LEASED TO MALVA HOUSE OF HAIR**

## ROCKY MOUNTAIN BUSINESS PARK #3



EAGLE  
7,700 SF  
**LEASED TO BLUE SKY FINANCIAL**

## 1748 ISLAND GREEN DR



NORTH MERIDIAN  
7,300 SF  
**OCCUPIED BY THE LARK HOUSE**

## TEN MILE CROSSING - LASALLE BUILDING



NORTH MERIDIAN  
6,900 SF  
**LEASED TO PNC MORTGAGE**



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## MARKET INSIGHT

+157 MILLION SQUARE FEET TRACKED REAL TIME ACROSS IDAHO MARKETS



## RESULTS

20,000 SQUARE FEET LEASED OR SOLD PER BUSINESS DAY (2024)



## REACH

AS THE REGION'S LARGEST CRE FIRM, WE CAN COVER REQUIREMENTS ACROSS THE STATE

# BOISE VALLEY OFFICES

# OUR EXPERTISE IS YOUR ADVANTAGE



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